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APPLIED POWDERCOAT, LLC

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – NORTHERN DIVISION**

In re:

APPLIED POWDERCOAT, LLC,

Debtor and Debtor in Possession.

Case No. 9:25-bk-10762-RC

Chapter 11

Subchapter V

**DEBTOR'S NOTICE OF MOTION AND
MOTION TO EXTEND THE TIME TO
FILE A PLAN OF REORGANIZATION
PURSUANT TO 11 U.S.C. § 1189(b);
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT
THEREOF**

[No Hearing Required Unless Requested or
Set by the Court Pursuant to Local
Bankruptcy Rule 9013-1(o)]

Judge: Hon. Ronald Clifford III

WEINTRAUB ZOLKIN TALERICO & SELTH LLP
11766 WILSHIRE BLVD., SUITE 730
LOS ANGELES, CA 90025

1 APPLIED POWDERCOAT, LLC, a California limited liability company, the Chapter 11
2 debtor and debtor in possession (the “Debtor” or “Applied”), in the above-captioned Chapter 11
3 Subchapter V bankruptcy case (the “Case”), hereby submits this motion (the “Motion”) for entry
4 of an order extending the deadline set forth in Section 1189(b) of chapter 11 of title 11 of the United
5 States Code §§ 101, *et seq.* (the “Bankruptcy Code”) ¹, for the Debtor to file its subchapter V
6 bankruptcy plan for 60 days, from September 4, 2025 to and including November 3, 2025.

7 The Debtor’s primary purpose in filing this Case has been to streamline its operations to
8 achieve short-term profitability and position itself for growth in emerging specialized industry
9 segments in the future. The principal weight on Debtor’s current operations is the cost of its lease
10 and attendant expenses. The Debtor’s business is sound, but overhead is not in-line with current
11 operations. The Debtor has more floor-space than it needs and can maintain its current operations
12 in half the square footage of its current facility.

13 The Debtor has determined that it is in the best interests of the Case, its creditors and the
14 estate to relocate the Debtor’s business operations to a smaller, less expensive location. The Debtor
15 has spent the significant part of the ninety-day period afforded by 11 U.S.C. §1189(b) to survey
16 potential sites for its business operations, view and inspect the potential sites and open discussions
17 with the lessors of the prospective locations to negotiate a new lease agreement.

18 As of the September 4, 2025 plan filing deadline, the Debtor is not in a position to formulate
19 its subchapter V small business plan. Without knowing which of the prospective locations will be
20 the eventual new site of its operations, the Debtor cannot determine what its expenses will be - the
21 costs of rent at the new location, the expenses that will be incurred for moving and installing the
22 Debtor’s equipment, and whether some of the equipment at its current location cannot be moved,
23 which would require the Debtor to purchase and install replacement equipment at the new location.

24 Based upon the foregoing, and for the other reasons set forth in the Memorandum of Points
25 and Authorities, and the Declaration of Osei Appiagyei (“Appiagyei Declaration”), the Debtor
26 submits that “cause” exists for the Motion to be granted and for the deadline to file its subchapter
27

28 ¹ Unless otherwise stated, all Section references herein are to the Bankruptcy Code.

V plan to be extended.

PLEASE TAKE FURTHER NOTICE that, pursuant to LBR 9013-1(o)(1)), any response and request for a hearing on this Motion must be filed with the Court and served on the Office of the United States Trustee, the Subchapter V Trustee in the Debtor's bankruptcy case, and the Debtor's counsel within fourteen (14) days after the date of service of this Notice, plus three (3) additional days if served by mail, electronically, or pursuant to Rule 5(b)(2)(D), (E), or (F) of the Federal Rules of Civil Procedure and Rule 9006 of the Federal Rules of Bankruptcy Procedure.

PLEASE TAKE FURTHER NOTICE that, pursuant to LBR 9013-1(h) and 9013-1(o), the failure to file and serve a timely response to this Motion may be deemed by the Court to be consent to the granting of the relief requested in this Motion, and, if no objection is filed, an order may be entered granting the Motion without further notice or hearing.

Dated: September 4, 2025

WEINTRAUB ZOLKIN TALERICO & SELTH LLP

By: /s/ Derrick Talerico

Derrick Talerico
General Bankruptcy Counsel for
Chapter 11 Debtor and Debtor in Possession
APPLIED POWDERCOAT, LLC

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MEMORANDUM OF POINTS AND AUTHORITIES

I. STATEMENT OF FACTS

A. General Case Background

On June 6, 2025 (the “Petition Date”), the Debtor filed a voluntary chapter 11 petition under title 11 of the Bankruptcy Code. The Debtor is a “debtor” as defined by Section 1182(1) of Subchapter V of Chapter 11 of the Bankruptcy Code and elected Subchapter V on its bankruptcy petition.

Since the commencement of the Case, the Debtor continues to manage its financial affairs, operate its business and administer its bankruptcy estate as a debtor in possession pursuant to §§ 1182(2) and 1184. John-Patrick Fritz has been appointed as the Subchapter V Trustee in the Case. No other trustee, examiner or committee has been appointed in the Case.

B. Events Leading to the Commencement of the Case and Current Exit Strategy

The Debtor is a powdercoat application business operating out of a 30,000 square foot facility in Oxnard, California. Powdercoating is a dry metal finishing process using finely ground particles of plastic resins, color pigments and special cross linking agents which, once cured, cause the plastic resins to become very hard and extremely durable. Powdercoating is the leading alternative to conventional liquid spray painting.

The Debtor has determined that its best way forward is to streamline its operations by moving to a smaller location, thereby reducing its biggest expense – rent. Even with the costs associated with a move to a smaller location, the reduced rent will enable the Debtor to continue as a going concern. The Debtor cannot be profitable with its current rent expense. To that end, the Debtor has surveyed various potential locations that could accommodate the Debtor’s specialized power, water and gas needs, conducting on-site inspections of potential locations and contacting the lessors to discuss the terms of a lease of the potential locations.

While exploring a relocation to a new city approximately 45 minutes from Oxnard, the Debtor received negative feedback from staff and customers on this potential move. If the Debtor moved out of Oxnard, it would lose a material number of employees and lose a meaningful amount of clients who rely on the convenience of the Oxnard location. Debtor has now located a preferred

1 facility in Oxnard and is negotiating with one landlord in particular for lease terms. Debtor is
2 engaged in detailed discussions with the manufacturer of its conveyor equipment to determine the
3 viability of moving these large and specialized systems versus acquiring new systems. At this time,
4 Debtor does not have a clear enough understanding of the costs for these various options to put
5 together reliable plan projections.

6 Given the short period of time under 11 U.S.C. § 1189(b) within which the Debtor has to
7 file its subchapter V plan, the Debtor now finds itself at the end of the 90 day period after the
8 Petition Date in the midst of the process to of negotiating a new lease, and determining the costs
9 for moving and installing its equipment at the new facility. Debtor is not yet able to create reliable
10 financial projections necessary to formulate a plan of reorganization.

11 The request to extend the plan deadline by sixty (60) days should provide the Debtor with
12 sufficient time to negotiate a new lease, determine how best to set up operations at the new location
13 and the cost to execute on these plans. The Debtor will then be able to prepare reliable financial
14 projections and formulate its subchapter V plan.

15 **II. LEGAL ARGUMENT**

16 Section 1189 of the Bankruptcy Code provides that:

17 (a) Who May File a Plan. –

18 Only the debtor may file a plan under this subchapter.

19 (b) Deadline.—

20 The debtor shall file a plan not later than 90 days after the order for
21 relief under this chapter, except that the court may extend the period
22 if the need for the extension is attributable to circumstances for
23 which the debtor should not justly be held accountable.

24 11 U.S.C. § 1189.

25 The debtor has the burden of proof to establish a basis for an extension of the time to file a
26 plan under Section 1189(b) and the standard for an extension is higher than the “for cause” standard
27 for an extension of plans exclusivity under Section 1121(d), which governs plans extensions in non-
28 Subchapter V Chapter 11 cases. *In re HYBL SNF, LLC*, 635 B.R. 725, 729–30 (Bankr. S.D.N.Y.
2022). The standard “reflects the goals of Subchapter V to move a case forward expeditiously, to

1 keep expenses down for the debtor, and to provide the debtor with an accelerated path to
2 reorganize.” *Id.* (internal cites omitted). Under the foregoing standards, there are bases to extend
3 the current plan deadline of September 4, 2025 for 60 days to and including November 3, 2025.

4 Here, as discussed above, the primary reason for the requested extension of the current plan
5 deadline is to allow the Debtor to complete its search for a smaller location, finalize lease
6 negotiations with the new lessor, and determine the expenses for the move and installation of its
7 equipment at the new facility.

8 The Debtor has been diligently searching for a new location. It has surveyed a number of
9 possible sites, from its current operations in Oxnard, to Valencia, conducted on-site inspections of
10 multiple potential sites and is currently negotiating terms for a new lease. On account of Debtor’s
11 diligence in moving its reorganization forward and the current state of the Case, the Debtor should
12 not be held accountable for not having a plan on file within 90 days of the Petition Date. No creditors
13 will be prejudiced by an extension of the time for the Debtor to file its plan. If Debtor is liquidated,
14 all value would go to Debtor’s senior secured lender, First Bank of the Lake (“FBOL”). Debtor is
15 currently operating under a cash collateral budget agreed to with FBOL and FBOL is considering
16 its available options for maximizing the return on its claim.

17 Based on the foregoing, the Debtor submits that it has satisfied the specific requirements for
18 an extension of the plan deadline under Section 1189(b). The requested extension of the plan
19 deadline is consistent with the goals of Subchapter V - to move the Debtor’s Case forward
20 expeditiously, to keep expenses down for the Debtor, and to provide the Debtor with an accelerated
21 path to reorganize. In consideration of the foregoing, the Court should extend the plan deadline
22 pursuant to 11 U.S.C. § 1189(b) for 60 days from September 4, 2025 to and including November
23 3, 2025.

24 **III. CONCLUSION**

25 In consideration of the foregoing, the Court should extend the plan deadline pursuant to 11
26 U.S.C. § 1189(b) for 60 days from September 4, 2025 to and including November 3, 2025.

27 WHEREFORE, the Debtor respectfully requests that the Court enter an order:

- 28 1. Granting the Motion;

2. Extending the plan deadline for 60 days from September 4, 2025 to and including
November 3, 2025; and

3. Granting such other and further relief as the Court deems just and properl.

Dated: September 4, 2025

WEINTRAUB ZOLKIN TALERICO & SELTH LLP

By: /s/ Derrick Talerico

Derrick Talerico
General Bankruptcy Counsel for
Chapter 11 Debtor and Debtor in Possession
APPLIED POWDERCOAT, LLC

WEINTRAUB ZOLKIN TALERICO & SELTH LLP
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LOS ANGELES, CA 90025

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
11766 Wilshire Blvd., Suite 730, Los Angeles, CA 90025

A true and correct copy of the foregoing document entitled (*specify*): **Debtor's Notice of Motion and Motion to Extend the Time to File a Plan of Reorganization Pursuant to 11 U.S.C. Section 1189(b); Memorandum of Points and Authorities in Support Thereof** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) September 4, 2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Attorneys for Debtor Applied Powdercoat, LLC: **Derrick Talerico**: dtalerico@wztslaw.com; maraki@wztslaw.com; sfritz@wztslaw.com; admin@wztslaw.com
- Subchapter V Trustee: **John-Patrick McGinnis Fritz (TR)**: jpfrustee@lnbyg.com; jpfrustesolutions.net
- Courtesy Notice/Interested Party: **Joseph Boufadel**: jboufadel@salvatoboufadel.com; gsalvato@salvatoboufadel.com; gsalvato@ecf.inforuptcy.com
- Courtesy Notice/Interested Party: **John D Faucher**: j.d.faucher@faucherlaw.com; faucherecf@gmail.com; johnd.b113858@notify.bestcase.com; p.askren@faucherlaw.com
- Attorneys for Creditor Employnet, Inc.: **Nicolino Iezza**: niezza@spiwakandiezza.com
- Attorneys for Interested Party First Bank of the Lake: **Bernard J Kornberg**: bernie.kornberg@millernash.com; edgar.rosales@millernash.com
- United States Trustee (ND): ustregion16.nd.ecf@usdoj.gov; **Brian D Fittipaldi**: brian.fittipaldi@usdoj.gov

☐ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**: On (*date*) September 4, 2025, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

See attached US Mail service list

☒ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Pursuant to the Courtroom Policies and Procedures of the Honorable Ronald A. Clifford III, Judge's copies are not required.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 4, 2025
Date

Martha E. Araki
Printed Name

/s/ Martha E. Araki
Signature

Label Matrix for local noticing
0973-9
Case 9:25-bk-10762-RC
Central District of California
Santa Barbara
Thu Sep 4 23:25:36 PDT 2025
Northern Division
1415 State Street,
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PO Box 7155
Pasadena, CA 91109-7155~~

~~Axalta Coating Systems LLC
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Carol Stream, IL 60132-3490~~

~~California Internet LP dba Geolinks
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Camarillo, CA 93012~~

~~City of Oxnard
305 W Third St
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Ventura, CA 93003-7229

20 Largest
Employers Preferred Insurance Company
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Henderson, NV 89053-9003

20 Largest
Employnet
c / o Wells Fargo Bank
PO Box 846149
Los Angeles, CA 90084-6149

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Frazier Park, CA 93225-9355~~

~~Motor~~
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c / o Wells Fargo Bank NA
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Anthem Blue Cross
PO Box 51011
Los Angeles, CA 90051-5311

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Axalta Coating Systems, LLC
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Cardinal Paint and Powder
PO Box 9296
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20 Largest
Coastal View Packaging Inc
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Capistrano Beach, CA 92624-1350

Secured/20 Largest
Donahue Truck Center
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Bankruptcy Group MIC 92E, PO BOX 826880
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Chicago, IL 60693-0621

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Sacramento, CA 94279-0029~~

~~Cintas
PO Box 631025
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~~Connors Landscape
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Camarillo, CA 93010-5807~~

~~Dura Chem Inc
18327 Pasadena St
Lake Elsinore, CA 92530-2766~~

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~~Fame Systems Inc
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Secured

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~~Portland, OR 97205-2384~~

~~(p)FIRST INSURANCE FUNDING~~
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~~NORTHBROOK IL 60062-7917~~

~~Franchise Tax Board~~
~~Bankruptcy Section MS A-340~~
~~PO Box 2952~~
~~Sacramento, CA 95812-2952~~

~~Grainger Inc~~
~~Dept 817792096~~
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Oxnard, CA 93030-8999

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IFS Coatings Inc
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~~Infinity Insurance Companies~~
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~~Prudential Overall Supply~~
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~~Santa Ana, CA 92711-1210~~

~~Pulse One Communications LLC~~
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20 Largest
Quattro Business Support Services
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Marietta, GA 30067-4439

~~SL Fusco Inc~~
~~File 2350~~
~~1801 W Olympic Blvd~~
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~~UPS Supply Chain Solutions Inc~~
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